

## Message Text

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14

ACTION XMB-07

INFO OCT-01 EUR-25 ADP-00 EB-11 COME-00 TRSE-00 AEC-11

SCI-06 INT-08 L-03 OMB-01 CIAE-00 INR-10 NSAE-00

RSC-01 SCEM-02 RSR-01 /087 W  
----- 093526

R 300730Z AUG 73

FM AMEMBASSY BELGRADE

TO SECSTATE WASHDC 7095

INFO AMCONSUL ZAGREB

LIMITED OFFICIAL USE BELGRADE 3878

E.O. 11652: N/A

TAGS: ENRG

SUBJ: KRSKO NUCLEAR POWER PROJECT

REF BELGRADE 3760, 3859

1. WESTINGHOUSE VICE PRESIDENT FOR POWER SYTEMS  
ELTHAM AND REGIONAL DIRECTOR BISES TELEPHONED FROM ZAGREB  
TO REPORT ON LATEST ROUND OF DISCUSSIONS WITH KRSKO IN-  
VESTORS, CONCLUDED TODAY.
2. THEY WERE TOLD THAT INVESTORS ARE REQUIRED TO RECOMMEND  
ONE OF THE THREE BIDDERS TO FIVE AND FIVE COMMISSION ON OR  
ABOUT SEPTEMBER 5. "FIRM" DECISION ON A BIDDER WOULD TAKE  
PLACE IN OCTOBER.
3. WESTINGHOUSE REPRESENTATIVES RECEIVED IMPRESSION THAT  
DECISION STILL "WIDE OPEN". FORMER CONSIDERABLE GAP IN PRICE  
BETWEEN WESTINGHOUSE AND OTHER BIDDERS HAS NARROWED, IN PART  
DUE TO RECENT UPWARD MOVE OF LIRE. DIFFERENCES AS TO  
GUARANTEES AND PENALTIES ARE STILL NOT ENTIRELY RESOLVED.
4. INVESTORS CONTINUED TO PRESS WESTINGHOUSE ON LOCAL COST  
FINANCING AND FINANCING OF TWO GAS TURBINE PLANTS.

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5. FIRST NATIONAL BANK OF CHICAGO HAS ASSURED INVESTORS, BY LETTER, THAT IT EXPECTS TO BE ABLE TO HANDLE ENTIRE LOCAL COST FINANCING PACKAGE UP TO 85 MILLION DOLLARS, ON SAME BASIS AS DOWN PAYMENT, AND AT AN "ASSUMED AVERAGE INTEREST RATE" OF 7 3/4 PERCENT.

6. COMMENT. WESTINGHOUSE HAS NOT MADE COMPLETE DETAILED COMMERCIAL FINANCING ARRANGEMENTS OF ITS KRSKO PROPOSAL AVAILABLE TO US. IN LIGHT OF FIRST NATIONAL BANK OFFER CITED ABOVE, HOWEVER, WE WONDER WHETHER ISSUE OF INCREASED EXIM GUARANTEE ON A PORTION OF LOCAL COSTS IS INDEED AS VITAL AS INVESTORS HAVE BEEN INSISTING RECENTLY. WE WOULD BE INTERESTED IN RELEVANT CALCULATIONS, BASED ON DATA WHICH MAY BE AVAILABLE IN WASHINGTON, WITH OBJECTIVE OF PERHAPS UTILIZING THESE EFFECTIVELY HERE.  
TOON

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** n/a  
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**Draft Date:** 30 AUG 1973  
**Decaption Date:** 01 JAN 1960  
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**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** golinofr  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
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